

M104710032

Incoming

From: Steve Alder
To: Leslie Heppler
CC: Paul Baker
Date: 4/10/2012 4:00 PM
Subject: Fwd: RE: Korea Technology, et al.
Attachments: Zions Account statement January 31 2012.pdf

>>> "McCardell, Steven J." <smccardell@djplaw.com> 3/12/2012 9:56 AM >>>
Steve:

Attached is the most recent bank statement that has been filed with the Bankruptcy Court as to the account that holds the funds securing reclamation obligations. Yes, confirmed (1) that the bond remains in place to secure reclamation obligations, as you requested and (2) that under the plan, which provides for an acquisition, the purchaser will leave the bond in place unless it makes its own arrangements. We have filed a proposed plan of reorganization with the court, which will confirm this for you, but I've copied below the specific plan provisions for classification and treatment of DOGM's claims secured by the reclamation bond.

[In the classification provisions at Section 3.1(f)]: Class 6 consists of the Allowed Secured Claim of the Utah DOGM related to its rights with respect to a certificate of deposit which secures reclamation obligations of the Debtors related to mining operations.

[In the impairment provisions at Article IV]: Class 6 Claims are not impaired

[In the claim treatment provisions at Section 5.2(g)]: The Allowed Class 6 Secured Claim of Utah DOGM shall be treated by leaving unaltered the legal (including statutory and regulatory), equitable, and contractual rights to which Utah DOGM is entitled with respect to the certificate of deposit pledged by CAR to secure reclamation obligations related to CAR's mining operations. Class 6 is unimpaired by the Plan.

In other words, in bankruptcy parlance, the plan leaves all of DOGM's rights in the bond unimpaired, which means that notwithstanding anything that happens in the bankruptcy case, DOGM can exercise all of its rights, which are all preserved.

When we get closer to closing -- now set for June 30, 2012 -- I expect purchaser's counsel to be in touch with DOGM to arrange for the transfer. I've copied Bill Gray, counsel for the purchaser, on this email. Please let us know if you have any further questions or concerns.

Steve McCardell 801.297.1287 (direct)

-----Original Message-----

From: Steve Alder [<mailto:STEVEALDER@utah.gov>]
Sent: Monday, March 12, 2012 9:43 AM
To: McCardell, Steven J.
Cc: Cannon, Kenneth L.; Bill Gray; Paul Baker
Subject: Re: Korea Technology, et al.

Thanks, I may be misinformed or just a little overly anxious, but can you confirm that the bond remains in place as a surety for the reclamation of the lands disturbed by the NOI for the Asphalt Ridge Mine formerly operated by Crown Asphalt Ridge LLC.? Also I assume that as part of the Chapter 11 reorganization and sale the bond will either be replaced or will be reaffirmed. When will the sale be finalized so we will know the status of the new Operator and its bonding? Any transfer of the NOI needs to be approved by the Division which requires the adequate bond be in place.

Thanks,

Steve

Steve Alder
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>>> "McCardell, Steven J." <smccardell@djplaw.com> 3/10/2012 2:00 PM >>>

Hi Steve. I received your letter about the bond account. It is with Zions Bank. The current balance is about \$307,000. I will send you a copy of the most recent bank statement I have on Monday. Steve

On Feb 13, 2012, at 10:59 AM, "McCardell, Steven J." <smccardell@djplaw.com> wrote:

> <mime-attachment>

Steven McCardell
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ZIONS BANK
P.O. Box 30709, Salt Lake City, UT 84130-0709

Statement of Accounts

Page 1 of 4

This Statement: January 31, 2012

Last Statement: December 30, 2011

Primary Account

0054511 01 AV 0.347 **AUTO T8 0 1432 84106-257635

ZIONS FIRST NATIONAL BANK FBO
CROWN ASPHALT RIDGE LLC AND
STATE OF UTAH
1245 BRICKYARD RD STE 110
SALT LAKE CITY UT 84106-2576



For 24-hour account
information, please contact:

1-800-789-BANK (2265)

zionsbank.com



WE HAVEN'T FORGOTTEN WHO KEEPS US IN BUSINESS. ®

We wanted you to be aware that your 2011 tax statements will have a different look than in past years. The forms are simplified and will easily correlate with your IRS returns. If there are any questions regarding the new form, please contact our Tax Reporting Group at 1-888-788-1099.

SUMMARY OF ACCOUNT BALANCE

| Account Type | Account Number | Checking/Savings Ending Balance | Outstanding Balances Owed |
|----------------------------|----------------|------------------------------------|------------------------------|
| Business Gold Money Market | | \$307,761.75 | |

BUSINESS GOLD MONEY MARKET 002413615

| Previous Balance | Deposits/Credits | Charges/Debits | Checks Processed | Ending Balance |
|------------------|------------------|----------------|------------------|----------------|
| 307,668.42 | 93.33 | 0.00 | 0.00 | 307,761.75 |

1 DEPOSIT/CREDIT

| Date | Amount | Description |
|-------|--------|-----------------------------|
| 01/31 | 93.33 | INTEREST PAYMENT 0030766842 |

0 CHARGES/DEBITS

There were no transactions this period.

0 CHECKS PROCESSED

There were no transactions this period.

AGGREGATE OVERDRAFT AND RETURNED ITEM FEES

| | Total for This Period | Total Year-to-Date |
|--------------------------|-----------------------|--------------------|
| Total Overdraft Fees | \$0.00 | \$0.00 |
| Total Returned Item Fees | \$0.00 | \$0.00 |

To learn more about our other products and services that may lower the cost of managing account overdrafts or to discuss removing overdraft coverage from your account, please contact Customer Service or visit your local branch.



MEMBER FDIC

0054511-0000002-0118528

10:54 AM
02/09/12

CROWN ASPHALT RIDGE
Reconciliation Summary
1993 - Restricted CD, Period Ending 01/31/2012

| | <u>Jan 31, 12</u> |
|-----------------------------------|--------------------------|
| Beginning Balance | 307,668.42 |
| Cleared Transactions | |
| Deposits and Credits - 1 item | 93.33 |
| Total Cleared Transactions | <u>93.33</u> |
| Cleared Balance | <u>307,761.75</u> |
| Register Balance as of 01/31/2012 | 307,761.75 |
| Ending Balance | 307,761.75 |